

Message Text

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ACTION MMO-02

INFO OCT-01 EUR-12 IO-13 ISO-00 SS-15 SP-02 PER-01 ABF-01
NSC-05 OMB-01 EB-07 TRSE-00 /060 W
-----072031Z 107334 /65
R 071721Z JAN 77
FM US MISSION EC BRUSSELS
TO SECSTATE WASHDC 2722
INFO US MISSION GENEVA 7204
AMEMBASSY BRUSSELS

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E.O. 11652: N/A
TAGS: ETRD APER
SUBJECT: MODE-TREASURY REQUEST TO ESTABLISH A US POSITION AT USEC
BRUSSELS FOR LIAISON TO THE CUSTOMS COOPERATION COUNCIL

REF: 76 STATE 303242

1. SUMMARY: EMBASSY BRUSSELS AND USEC SUPPORT THE
TREASURY REQUEST FOR THE CREATION OF AN OFFICER AND
A SECRETARY POSITION FOR LIAISON WITH THE CUSTOMS
COOPERATION (CCC). WE BOTH BELIEVE THAT THE OFFICER
POSITION SHOULD BE LOCATED AT USEC AND THAT THE
SECRETARY POSITION MUST BE FILLED BY AN AMERICAN.
END SUMMARY

2. THIS IS A JOINT EMBASSY BRUSSELS/USEC MESSAGE.
AMBASSADORS FIRESTONE AND HINTON HAVE ALREADY COM-
MENTED ON THIS PROPOSAL IN THEIR LETTERS OF JUNE 1,
1976 TO ASSISTANT SECRETARY GREENWALD. THOSE LETTERS
SHOULD BE PART OF THE RECORD ON THIS ISSUE.

3. THE CCC LIAISON FUNCTION HAS UP UNTIL NOW BEEN
LOCATED IN THE EMBASSY. AN OFFICER HAS AT TIMES DEVOTED 15
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PERCENT OF HIS TIME TO IT, WITH SUBSTANTIAL BACK UP
BY AN AMERICAN SECRETARY. THE EMBASSY'S LIAISON
WITH THE SECRETARIAT HAS BEEN GOOD, BUT THE WORK
HAS NORMALLY BEEN CONFIED TO SUPPORT FOR US DELEGA-
TIONS, ARRANGING OF APPOINTMENTS AND TRANSMISSION OF
COMMUNICATIONS. THE EMBASSY'S RELATIONS HAVE BEEN
CLOSE WITH THE COUNCIL'S TWO US CUSTOMS EMPLOYEES,

AND WE ANTICIPATE THAT RELATIONS WILL BE EVEN CLOSER WITH THE ASSUMPTION BY US NOMINEE JAMES CLAWSON OF A TOP POSITION IN THE SECRETARIAT. THE EMBASSY HAS NOT, HOWEVER, BEEN EXPECTED NOR IS IT ABLE TO REPORT FULLY ON THE SUBSTANCE OF THE WORK OF THE COUNCIL, NOR IS IT PRESENT AT COUNCIL MEETINGS. US REPORTING ON THE SUBSTANCE OF THE COUNCIL'S WORK HAS BEEN THROUGH THE US DELEGATES TO THE MANY EXTENDED MEETINGS. THIS, HOWEVER, HAS NOT RESULTED IN THE CONTINUITY AND GOVERNMENT-WIDE DIFFUSION OF THE INFORMATION THAT WOULD BE MOST USEFUL. IT HAS ALSO HANDICAPPED US IN LOBBYING FOR OUR POSITIONS WITH THE COUNCIL SECRETARIAT BECAUSE MOST OF THE PARTICIPANTS IN THE COUNCIL'S BUSINESS COME FROM THE CUSTOMS SERVICES OF MEMBER COUNTRIES, THEY DEAL WITH EACH OTHER IN A CLUBBY ATMOSPHERE. THE COUNCIL'S RELATIVELY SMALL SECRETARIAT (ABOUT 100 EMPLOYEES IN ALL) IS DOMINATED BY CUSTOMS EXPERTS.

4. ASSUMPTION BY THE EMBASSY OR USEC OF RESPONSIBILITY FOR REPORTING ON THE SUBSTANTIVE WORK OF THE COUNCIL WOULD REQUIRE CONSIDERABLE TIME AND KNOWLEDGE OF CUSTOMS MATTERS. THE EMBASSY CANNOT WITH THE CURRENT STAFFING TAKE ON THIS ENLARGED FUNCTION, NOR DOES USEC BELIEVE IT CAN, PARTICULARLY SINCE IN 1977 IT EXPECTS INCREASED RESPONSIBILITIES BECAUSE OF HEIGHTENED ACTIVITY IN THE MULTI-NATIONAL TRADE NEGOTIATIONS.

5. THERE MAY HAVE BEEN SOME QUESTION UP UNTIL NOW OF LIMITED OFFICIAL USE

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WHETHER THE NEED FOR CLOSER RELATIONS WITH THE CUSTOMS COOPERATION COUNCIL WAS SUFFICIENT TO JUSTIFY ANOTHER POSITION IN BRUSSELS. HOWEVER, THE SITUATION HAS NOW CHANGED. THE TRADE ACT OF 1974 MANDATES THE US PARTICIPATION IN THE HARMONIZED SYSTEM PROJECT OF THE CCC. THIS SYSTEM WILL, WHEN COMPLETED, INEVITABLY HAVE EFFECTS ON US TRADE POLICY AND DESERVES THE CONSIDERATION OF ALL US AGENCIES INVOLVED IN TRADE POLICY. THE INTERAGENCY ADVISORY COMMITTEE ON CCC MATTERS IN WASHINGTON WILL ASSIST MATERIALLY, BUT FOR IT TO DO ITS JOB WELL WE NEED A BETTER SYSTEM FOR IDENTIFYING ISSUES EARLY IN BRUSSELS AND INFORMING WASHINGTON PROMPTLY. THERE IS ALSO AN INTERRELATION BETWEEN THE MTN DISCUSSIONS IN GENEVA ON VALUATION AND THE DISCUSSIONS IN THE CUSTOMS COOPERATION COUNCIL. VISITING REPRESENTATIVES OF US INDUSTRY, PARTICULARLY IN THE PAPER SECTOR, HAVE STRESSED THEIR BELIEF THAT MUCH CLOSER AND MORE CONSTANT US GOVERNMENT CONCERN WITH THE CUSTOMS COOPERATION WORK IS AMPLY JUSTIFIED BY ITS IMPORTANCE.

6. CCC, ALTHOUGH AN AUTONOMOUS INTERNATIONAL ORGANIZATION, IS STRONGLY INFLUENCED BY THE EC (AND ITS MEMBERS). THE EC IS LOCATED IN BRUSSELS; ITS POLICY LEVEL STAFF --- MAINLY ITS CUSTOMS ADMINISTRATION -- REMAIN IN CLOSE CONTACT WITH CCC WORK. AS WE AND EC ARE ON OPPOSITE ENDS OF MANY TARIFF QUESTIONS, THEY ARE CURRENTLY IN MUCH STRONGER POSITION THAN WE TO INFLUENCE WORK OF CCC TOWARD THEIR APPROACHES AND AWAY FROM OURS.

7. OUR BELIEF IS THAT IF A POSITION IS ESTABLISHED FOR LIAISON WITH THE CCC, THE OFFICER INVOLVED SHOULD ALSO ASSUME PRIMARY RESPONSIBILITY FOR RELATIONS WITH THE EC'S CUSTOMS ADMINISTRATION WHERE FROM TIME TO TIME A NUMBER OF TRADE ISSUES OR MTN ISSUES ARISE (E.G., EC/EFTA RULES OF ORIGIN, TARIFF RECLASSIFICATION PROBLEMS, LIMITED OFFICIAL USE

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CIF/FOB PROBLEMS, EC PROBLEMS ON POSITIONS ON CUSTOMS VALUATION).

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ACTION MMO-02

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8. THOUGH WE DO NOT HAVE A COMPLETE PICTURE OF THE APPROACH OTHER COUNTRIES HAVE TAKEN TO THIS PROBLEM, WE KNOW THAT THERE ARE AT LEAST SEVEN COUNTRIES WHICH

HAVE OFFICERS ASSIGNED TO THEIR MISSIONS OR EMBASSIES IN BRUSSELS RESPONSIBLE FOR CCC LIAISON. (UNTIL RECENTLY, CANADA HAD A FULL-TIME OFFICER DEVOTED TO THIS SUBJECT BUT ITS CUSTOMS ATTACHE NOW HANDLES THE JOB ALONG WITH OTHER RESPONSIBILITIES.) WE DO NOT KNOW HOW MANY OF THESE ARE FULL-TIME. THESE OFFICERS ARE ACCREDITED TO THE CCC, PARTICIPATE IN THEIR COUNTRIES' REPRESENTATION AT MEETINGS AND MAINTAIN LIAISON WITH THE SECRETARIAT CONSTANTLY.

9. WE RECOMMEND THAT AN OFFICER BE ASSIGNED TO USEC TO COVER THIS FUNCTION. THE NECESSITY FOR A NEW POSITION WILL PROBABLY CONTINUE FOR THE NEXT FOUR OR FIVE YEARS, SO LONG AS THERE IS PARALLEL WORK GOING ON IN THE CCC AND THE MTN'S AND UNTIL THE COMPLETION OF THE HARMONIZED SYSTEM PROJECT. IF THERE IS ANY QUESTION ABOUT THE USEFULNESS OF THE POSITION, IT COULD BE ESTABLISHED ON A TWO-YEAR TRIAL BASIS.

10. THE ADVANTAGE OF ASSIGNING AN OFFICER FROM THE LIMITED OFFICIAL USE

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CUSTOMS SERVICE IS THAT HE WOULD NOT NECESSARILY NEED TO GO THROUGH A LENGTHY LEARNING PERIOD AND HE MIGHT BE ABLE TO STAY IN BRUSSELS FOR A LONG TIME AND THUS ASSURE A NEEDED CONTINUITY. ON THE OTHER HAND, THE ADVANTAGE OF ASSIGNING THIS POSITION TO A FOREIGN SERVICE OFFICER IS THAT HE COULD ALSO ASSUME OTHER RELATED DUTIES IF THE POSITION WITH THE CCC DOES NOT, AS WE ANTICIPATE, REQUIRE ALL OF HIS TIME. SINCE MUCH OF THW WORK IN THE CCC, PARTICULARLY ON THE HARMONIZED SYSTEM, WOULD INVOLVE CLASSIFICATIONS OF PRODUCTS, WE DO NOT SEE WHY AN FSO COULD NOT LEARN IT IN A FOUR OR FIVE-MONTH PERIOD. OUR SLIGHT INCLINATION WOULD BE TO ENCOURAGE CONSIDERATION OF AN FSO. HOWEVER, REFTTEL IMPLIES THAT TREASURY WOULD BE FUNDING THE OPERATION. IF THE CREATION OF THE POSITION DEPENDS UPON THE OFFICER'S BEING FROM THE CUSTOMS SERVICE, WE WOULD RECOMMEND THAT THE OFFICER BE FROM THE CUSTOMS SERVICE.

11. WE DO NOT BELIEVE THAT A SKILLED LOCAL EMPLOYEE WOULD BE ABLE TO FILL THE GAP. WE ANTICIPATE THAT THE NEW OFFICER WOULD HAVE TO HOLD HIS OWN WITH VISITING DELEGATIONS. NEITHER THE EMBASSY NOR USEC CURRENTLY HAS A LOCAL EMPLOYEE WORKING IN THE ANALAGOUS CAPACITY NOR HAS ANY OTHER MEMBER CCC COUNTRY.

12. AT USEC WE TEND TO THINK THAT THE TREASURY SUGGESTION OF RANK IS SOMEWHAT HIGH AND THAT THE JOB COULD BE ADEQUATELY

STAFFED BY AN FSO-4 OR 5 OR BY A GS-13 OR 14. THE OFFICER ASSIGNED SHOULD BE INTEGRATED INTO THE ECONOMIC SECTION OF USEC, REPORTING THROUGH THE APPROPRIATE COUNSELOR AND SUBJECT TO THE POLICY DIRECTION OF THE MISSION. THE OFFICER SHOULD HAVE FULL DIPLOMATIC STATUS, PRESUMABLY WITH THE TITLE OF CUSTOMS ATTACHE, SHOULD THE POSITION GO TO SOMEONE FROM THE CUSTOMS SERVICE, OTHERWISE THAT OF DIPLOMATIC SECRETARY.

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13. FURTHER COMMENTS ON THE INTEGRATION OF THE OFFICER IN THE MISSION (OR IN THE EMBASSY) ARE CONTAINED IN THE LETTERS FROM AMBASSADORS FIRESTONE AND HINTON.

14. NEITHER USEC NOR THE EMBASSY WOULD BE WILLING TO ACCEPT THE OFFICER UNLESS THERE IS PROVISION MADE FOR THE CREATION OF ANOTHER AMERICAN SECRETARY POSITION. BOTH THE EMBASSY AND USEC ARE BADLY STRETCHED ON SECRETARIES NOW. WE JUDGE THAT THE SECRETARIAL REQUIREMENTS WOULD BE FAIRLY HEAVY. THOUGH MUCH OF THE WORK WITH THE CUSTOMS COOPERATION COUNCIL WOULD BE UNCLASSIFIED, THE POLICY COORDINATION WORK WITH THE EC WOULD NOT BE, NOR WOULD CONSIDERATIONS RELATING TO US NEGOTIATING POSITIONS IN THE MTN. CONSEQUENTLY, WE BELIEVE THAT AN AMERICAN SECRETARY IS ESSENTIAL.

15. IN ADDITION, THE SPACE OCCUPIED BY THE TWO MISSIONS IS QUITE CROWDED NOW. THE EMBASSY WOULD BE UNABLE TO ACCOMMODATE SOMEONE IN ITS BUILDING. USEC, HOWEVER, WOULD BE ABLE TO MAKE ROOM FOR ANOTHER OFFICER AND SECRETARY IN ITS BUILDING.

16. THE ADMINISTRATIVE SECTION OF THE EMBASSY ESTIMATES THE FOLLOWING COSTS, EXCLUDING FAAS, BUT INCLUDING SALARY, POST ALLOWANCES AND QUARTERS ALLOWANCES, FOR THE ASSIGNMENT OF A NEW POSITION: A GS-15 WITH TWO DEPENDENTS WOULD COST APPROXIMATELY \$55,000 PER ANNUM; A GS-13 WITH TWO DEPENDENTS WOULD COST APPROXIMATELY \$43,000. AN AMERICAN SECRETARY WOULD COST APPROXIMATELY \$18,000. HINTON

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
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